

April 22, 2008

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AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
DOCKETED

APR 22 2008

Arizona Corporation Commission  
Utilities Division - Docket Control  
1200 W. Washington Street  
Phoenix, Arizona 85007

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**Re: NOTICE OF STATUS AND COMPLIANCE FILING**

**In the Matter of the Joint Application of Matrix Telecom, Inc. Americatel Corporation, and Startec Global Operating Company for Approval to Pledge Their Arizona Assets Pursuant to A.R.S. § 40-285**  
**Docket Nos: T-03228A-07-0526; T-3517A-07-0526; T-20522A-07-0526**  
**Notice of Status and Compliance Filing**

Docket Control:

On February 27, 2008, in Decision No. 70184, the Commission entered an order approving the amendment, restatement, and refinancing of certain existing financing arrangements involving Startec Global Operating Company ("Startec"), Americatel Corporation ("Americatel"), and Matrix Telecom, Inc. ("Matrix") (collectively, the "Parties"), scheduled to occur on or about April 8, 2008. The proposed amended and restated credit agreement (the "A&R Credit Agreement") would combine an existing credit arrangement to which Startec is a party, on the one hand, with an existing credit arrangement to which Americatel and its affiliate Matrix are parties, on the other. The designated lender would provide financing of up to \$120 million in order to refinance the existing obligations of all three parties. As security for the amended and restated credit facility, the Parties would pledge their stocks, interest and assets. The Parties hereby submit this notification of the status in the above-referenced docket.

As a result of the current difficulties in the credit markets, the Parties have not yet been able to finalize the provisions of the A&R Credit Agreement among the lender and all three Parties. Negotiations to resolve the remaining issues are continuing between the Parties and their lender. Nevertheless, the Parties did not reach agreement on this issue in time to execute the A&R Credit Agreement before April 8, 2008.

As described in the Parties' application in this docket, the existing Startec credit agreement, under which Startec was liable for debt obligations of up to \$43 million, matured on April 8, 2008.<sup>1</sup> To make the necessary repayment while the Parties continued to negotiate the

<sup>1</sup> The existing Matrix and Americatel credit agreement remains in effect.

language of the A&R Credit Agreement, Startec Global Communications Corp. ("Startec Holdco"), the direct parent of Startec, and Startec Global Canadian Holding Company ("Startec Canadian Holdco," together with Startec Holdco, the "Borrowers"), an affiliate of Startec, have entered into an intercompany promissory note in the amount of \$37 million with the Parties' ultimate parent, Platinum Equity, LLC. Advances under the note will be secured by a pledge of assets of the Borrowers. That note and related documents also require Startec to join the note as a Borrower or otherwise guarantee the obligations thereunder. Pursuant to the authority granted in Decision No. 70182 to become liable for debt obligations of up to \$120 million, therefore, Startec intends to either join such note as a Borrower or to guarantee the Borrowers' obligations thereunder. Startec anticipates that the note will remain in effect until an agreement is reached on the larger A&R Credit Agreement or an alternative source of financing, if any, is arranged.

In accordance with Decision No. 70184, this letter will also serve as the compliance filing required under Decision No 70184. Given that the Americatel and Matrix financing has not changed, the bond and escrow arrangements in effect under Decision No. 69357 remain in place (see compliance filing dated May 7, 2007 in Docket No. 06-0586). There are no deposits or prepayments held by Startec, so there is no issue with excluding those from the Startec financing described above.

Should you have any questions regarding this filing, please contact me at (602) 262-5340 or Stefanie Alfonso-Frank at (202) 637-1020.

Sincerely,



Michael T. Hallam

MTH/jw

cc: Maureen Scott  
Belinda Martin, Administrative Law Judge  
Brian Bozzo